2/24/86

CURRENT MINNESOTA LABOR MARKET CONDITIONS

January 1986 Supplement to The Review of Labor and Economic Conditions

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Nation

Nearly all of the economic reports for December indicated that the Nation's economy ended the year on a strong note. On the other hand, real gross national product rose only 2.3 percent in 1985, the smallest yearly increase since the recession year of 1982.

Labor market conditions improved in December as the unemployment rate dropped and both total and nonfarm employment showed stronger gains than in November. The seasonally adjusted unemployment rate fell for the second straight month in December, dropping by another 0.1 of a point to 6.9 percent, the lowest since April 1980. Also, total employment, seasonally adjusted, rose by 237,000 after a rise of 156,000 in November. Meanwhile, seasonally adjusted nonfarm payroll employment climbed by 320,000 in December after a gain of only 180,000 in November. Stronger gains in manufacturing, trade and government accounted for most of the increased growth in payroll employment in December. Moreover, employment in manufacturing which had declined by 325,000 between January and September, rose for the third consecutive month in December and is up by 140,000 from September.

Other reports for December suggested that the economy was very strong at year's end. Large gains were posted in retail sales, industrial production, housing starts, personal income and personal consumption expenditures. However, some of the growth in retail sales and personal spending was the result of incentives by automobile manufacturers.

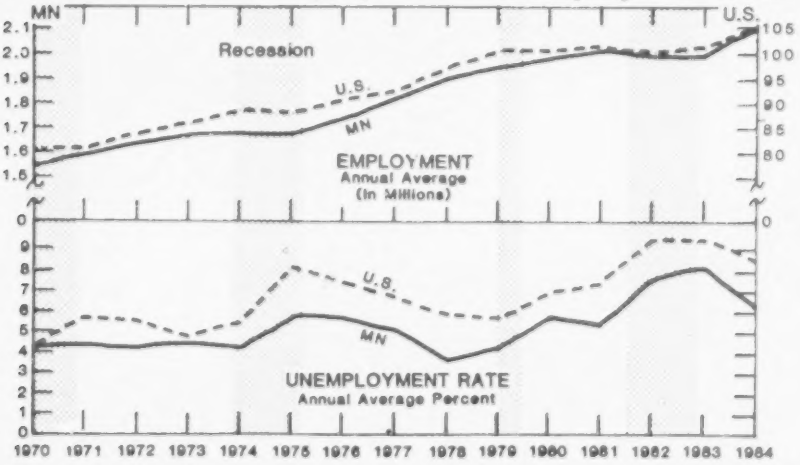
State

The Minnesota economy was rather sluggish in December as the unemployment rate continued to rise and both total and nonfarm payroll employment rose modestly. One bright spot, however, was that employment in manufacturing increased for the first time in several months.

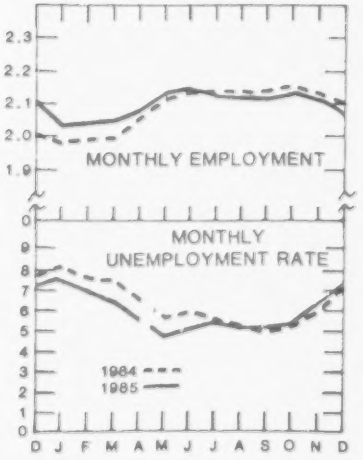
The State's seasonally adjusted unemployment rate climbed for the seventh month in a row in December, rising by 0.1 of a point to 6.9 percent and matching the Nation's rate for the first time since October 1973. Also, seasonally adjusted total employment rose by a modest 5,000 in December after a gain of 6,100 in November. Because of a large drop in mining employment, continued declines in construction and communications employment and slow growth in trade and services employment, seasonally adjusted nonfarm payroll employment increased by only 421 in December. On the other hand, factory employment rose for the first time since June. Larger increases in employment in the lumber, furniture and paper industries together with recoveries in employment in electrical and nonelectrical machinery led to the December rise in manufacturing employment. Over-the-year, payroll employment was up by nearly 27,000 as increases of 14,000 in services, 9,200 in government and 6,200 in trade offset declines of 8,000 in manufacturing and 600 in construction. Two-thirds of the over-the-year drop in manufacturing emloyment was in electrical and nonelectrical machinery.

Labor Force Estimates	MINNESOTA (Numbers in '000's)			UNITED STATES (Numbers in '000,000's)		
	December 1985	Change From Last Mo.	Change From Year Ago	December 1985	Change From Last Mo.	Change From Year Ago
Civilian Labor Force	2,245.1	-4.9	-17.9	115.8	-0.3	1.6
Employed	2,076.5	-29.9	-25.4	108.1	-0.2	2.1
Unemployed	168.6	25.0	7.5	7.7	-0.1	-0.3
Unemployment Rate						
Actual	7.5	1.1	0.4	6.7	0.0	-0.3
Seasonally Adjusted	6.99	0.1	0.3	6.9	-0.1	-0.3

MN and the U.S., Employment & Unemployment Rate



MN, 1984 and 1985



Labor Market Conditions

MINNESOTA NONAGRICULTURAL WAGE & SALARY EMPLOYMENT, HOURS & EARNINGS

Industry	EMPLOYMENT[1] (thousands)			PERCENT CHANGE FROM		PRODUCTION WORKERS' HOURS & EARNINGS[2]					
						Average Weekly Earnings		Average Hourly Earnings		Average Weekly Hours	
	Dec. 1985	Nov. 1985	Dec. 1984	Nov. 1985	Dec. 1984	Dec. 1985	Nov. 1985	Dec. 1985	Nov. 1985	Dec. 1985	Nov. 1985
Total Nonagricultural	1,896.5	1,907.0	1,870.1	-0.6	1.4						
Manufacturing	370.0	370.9	378.0	-0.2	-2.1	422.71	407.38	10.31	10.21	41.0	39.9
Durable Goods	221.2	221.5	228.0	-0.2	-3.0	442.05	421.30	10.55	10.48	41.9	40.2
Lumber and Furniture	16.9	17.1	16.5	-1.4	2.5	416.03	407.36	10.75	10.72	38.7	38.0
Stone, Clay and Glass	7.3	8.0	8.3	-8.9	-12.7	432.21	392.96	10.34	10.26	41.8	38.3
Primary Metals	5.7	5.7	6.1	0.8	-6.6	371.57	358.42	9.22	9.12	40.3	39.3
Fabricated Metals	35.0	35.2	35.4	-0.6	-1.0	497.64	466.49	11.44	11.35	43.5	41.1
Nonelectrical Machinery	90.0	90.0	94.6	0	-4.9	468.44	448.54	11.18	11.13	41.9	40.3
Office and Computing	46.6	46.7	49.7	-0.1	-6.3	516.06	513.24	12.20	12.20	42.3	42.0
Electrical Machinery	26.9	26.2	27.6	2.5	-2.8	334.96	328.00	8.23	8.20	40.7	40.0
Transportation Equipment	6.5	6.2	6.7	4.2	-2.6	610.56	511.04	12.72	12.11	48.0	42.2
Scientific Instruments	27.2	27.2	27.5	-0.1	-1.2	417.16	407.22	9.98	10.03	41.8	40.6
Miscellaneous Manufacturing	5.7	5.8	5.2	-2.2	9.4	418.92	385.90	9.33	9.21	44.9	41.9
Nondurable Goods	148.9	149.4	150.0	-0.3	-0.7	398.20	389.08	9.98	9.85	39.9	39.5
Food and Kindred	44.3	44.8	45.9	-1.1	-3.5	362.46	354.89	8.63	8.47	42.0	41.9
Textiles and Apparel	4.3	4.5	5.0	-4.7	-14.6	238.72	240.63	6.40	6.17	37.3	39.0
Paper and Allied	33.6	33.5	34.4	0.4	-2.1	509.65	495.40	11.88	11.88	42.9	41.7
Printing and Publishing	43.1	43.0	41.0	0.2	5.0	382.56	381.15	10.51	10.50	36.4	36.3
Chemicals and Petroleum	10.2	10.2	9.8	0.3	4.0	464.84	437.31	11.31	11.30	41.1	38.7
Rubber, Plastic and Leather	13.4	13.4	13.9	0	-3.5	330.04	317.83	8.92	8.59	37.0	37.0
Nonmanufacturing	1,526 4	1,536.2	1,492.2	-0.6	2.3						
Mining	6.3	8.8	5.5	-27.9	15.2	509.33	496.58	12.67	12.54	40.2	39.6
Metal Mining	4.7	6.5	3.8	-28.2	21.7	539.13	514.90	13.58	13.55	39.7	38.0
Construction	68.9	79.2	69.6	-13.0	-1.1	579.58	582.93	15.58	15.30	37.2	38.1
Transport., Comm., & Pub. Util	100.2	100.5	99.0	-0.3	1.2						
Transportation	65.7	65.9	64.1	-0.4	2.3						
Trucking and Warehousing	26.7	27.0	27.3	-1.0	-2.2	379.86	372.88	11.59	11.58	34.5	32.2
Communication and Public Util	34.5	34.6	34.9	-0.1	-1.0	545.48	550.83	13.74	13.84	39.7	39.8
Trade	487.9	483.2	481.9	1.0	1.2	233.48	229.20	7.63	7.64	30.6	30.0
Wholesale	119.4	119.9	118.9	-0.4	0.4	406.25	398.86	10.39	10.28	39.1	38.8
Retail	368.5	363.3	363.0	1.4	1.5	185.65	181.23	6.56	6.59	28.3	27.5
Building Materials	18.0	18.2	17.8	-1.6	0.8	315.13	309.82	8.54	8.63	36.9	35.9
General Merchandise	55.9	54.0	57.3	3.6	-2.4	181.99	168.13	6.19	6.25	29.4	26.9
Food Stores	49.1	48.2	48.0	1.8	2.2	200.79	194.04	7.07	6.98	28.4	27.8
Automotive	39.6	39.3	37.2	0.9	6.6	342.65	347.38	8.97	9.07	38.2	38.3
Apparel	18.6	17.9	18.3	4.1	1.7	128.93	124.47	5.22	5.23	24.7	23.8
Home Furnishings	14.2	14.0	13.0	1.8	9.5	237.80	237.49	7.25	7.33	32.8	32.4
Eating and Drinking	122.5	122.7	120.7	-0.1	1.5	104.64	105.54	4.63	4.67	22.6	22.6
Fin., Insur., Real Est.	111.3	110.9	107.4	0.4	3.6						
Finance	51.9	51.8	50.2	0.2	3.4						
Insurance	41.0	40.7	39.2	0.9	4.6						
Real Estate	18.3	18.4	18.0	-0.5	2.1						
Services	444.3	444.9	430.5	-0.1	3.2						
Personal Services	22.0	22.1	19.9	-0.4	10.8						
Business Services	83.6	83.3	79.7	0.4	4.9						
Repair Services	20.4	20.3	19.4	0.1	5.1						
Health Services	138.7	138.6	136.3	0.1	1.8						
Hospitals	48.3	48.3	48.9	-0.2	-1.2						
Nursing Homes	39.9	39.7	39.3	0.5	1.5						
Legal Services	12.7	12.7	11.7	0.3	8.4						
Private Education	25.7	25.7	25.2	-0.2	1.7						
Government	307.6	308.8	298.2	-0.4	3.2						
Federal	31.8	31.6	30.9	0.4	2.8						
State	76.8	78.6	72.4	-2.3	6.0						
Education	42.6	44.1	38.7	-3.4	10.2						
Local	199.0	198.5	194.8	0.2	2.1						
Education	106.9	106.9	104.7	0.1	2.1						

1/ Totals may not add because of rounding.

2/ Average earnings data are on a "gross" basis and are derived from reports of payroll for full and part-time production or nonsupervisory workers. The payroll is reported before deductions of any kind. Bonuses, retroactive pay, tips, payment in kind, and "fringe benefits" are excluded.

Labor Market Conditions

Characteristics of the Insured Unemployed

Tables 1 and 2 provide data on persons who filed a claim for unemployment compensation in Minnesota during the month. Only those claiming benefits from the regular State program are represented since data on the characteristics of Federal employees and veterans are not available.

Total claimants for unemployment benefits rose by 19,566 or 51.9 percent in December. The percent increase in December was only slightly less than seven year average rise of 52.7 percent between November and December. However, claimants in mining and services increased considerably faster than they usually do in December while claimants in construction, retail trade and finance-insurance-real estate rose a little more than normal for December. On the other hand, claimants in manufacturing increased at only one-third of their normal rate for December. Over-the-year, claimants were up by 6,842 or 13.6 percent. Nearly sixty percent (4,070) of the over-the-year rise in claimants occurred in the manufacturing sector where claimants rose by 34 percent.

Table 1. Distribution of Insured Unemployed, by Age and Sex, December 1985

Age Groups	Number	Percent Distributions		
		Men of Totals	Men of Men	Women of Women
TOTALS	57,257	76.8	100.0	100.0
Under 45	44,101	77.5	77.7	74.7
Under 25	10,069	77.2	17.7	17.3
25-34	21,269	78.7	38.1	34.0
35-44	12,763	75.6	21.9	23.4
45 and Over	13,156	74.5	22.3	25.3
45-54	7,571	74.9	12.9	14.3
55 and Over	5,585	73.9	9.4	11.0

TABLE 2. Distribution of Insured Unemployed by Industry and Occupation,

Industry and Occupational Attachment	Number	Percent of Total	Percent Long-Term1/ Unemployed	Women as Percent of Total
Total, All Industries	52,257	100.0	13.2	23.1
Ag., For., Fish.	1,824	3.2	2.2	12.6
Mining	4,528	7.9	1.7	4.0
Construction	15,417	26.9	1.8	3.1
Manufacturing	16,074	28.1	24.2	32.1
Public Utilities	2,122	3.7	12.1	16.9
Wholesale Trade	3,058	5.3	18.1	22.2
Retail Trade	4,768	8.3	17.7	38.7
Finance, Insurance, Real Estate	1,055	1.9	22.3	53.8
Services	6,545	11.4	19.2	48.9
Public Admin.	1,188	2.1	11.8	35.8
Info. Not Available	678	1.2	1.6	23.3
Total, All Occupations	57,257	100.0	13.2	23.1
Prof., Tech., Mgr.	5,986	10.5	27.1	36.4
Clerical	4,242	7.4	23.3	78.7
Sales	1,785	3.1	21.5	30.0
Services	3,102	5.4	15.3	56.4
Farm., For., Fish.	1,579	2.8	1.7	12.9
Processing	2,074	3.6	29.4	25.8
Machine Trades	3,844	6.7	21.6	13.2
Benchwork	5,709	10.0	21.0	51.7
Structural Work	17,084	29.8	3.4	2.3
Miscellaneous	11,647	20.3	7.3	7.2
Info. Not Available	205	0.4	14.3	17.5

1/ Long-Term unemployed refers to unemployment insurance claimants whose current spell of unemployment has lasted 15 weeks or longer.

Job Service Applicant Supply and Demand

Table 3 compares Job Service (J.S.) job applicants with the J.S. job openings that existed at the end of the month. These comparisons are expressed as supply/demand ratios. Other things being equal, the greater the ratio of applicants to openings, the greater the competition has been for work within that occupational category. To put these ratios into context, the reader must remember that not only do job seekers and employers in general find jobs or recruit workers through other means, but those interested in certain kinds of jobs are particularly unlikely to use the J.S. For example, workers seeking professional and Managerial jobs are least likely to use the J.S., wehereas employers usually recruit construction workers through union halls and hire teachers directly. Thus, the main value of Table 3 is that it reflects, for broad occupational groups, the relative labor market conditions that those using the J.S. encountered when seeking work.

Table 3. Experienced Supply/Job Openings Demand

Occupation	Applicants (Supply) Dec. 1985	Applicants (Demand) Dec. 1985	Supply/Demand Ratio Dec. 1985	Supply/Demand Ratio Dec. 1984
Total	96,584	11,885	8.1	7.0
Prof., Tech., Mgr.	12,336	1,376	9.0	9.1
Clerical	15,603	2,220	7.0	5.5
Sales	4,998	1,149	4.3	3.2
Domestic Services	1,384	123	11.3	9.0
Other Services	14,819	3,272	4.5	4.4
Farm., Fish., For.	2,096	487	4.3	13.0
Processing	1,922	605	3.2	1.9
Machine Trades	7,101	466	15.2	11.5
Benchwork	7,133	379	18.8	9.1
Structural Work	13,272	435	30.5	18.5
Mtr. Frght., Trans.	4,386	643	6.8	7.8
Pkg. & Mat. Hndlg.	10,562	653	16.2	17.9
Other	972	77	12.6	22.5

1/ Inexperienced and improperly coded job applicants are not included in this table.

Analysis of Local Conditions

MINNEAPOLIS-ST. PAUL MSA

The unemployment rate in the Twin Cities metropolitan area continued to rise in December, reaching 5.5 percent compared to 5.0 percent in November. Typically the jobless rate increases by an average of 0.4 of a percentage point between November and December. The large increase is largely due to seasonal factors which affect the construction industry. However, for the past several months the unemployment rate has been rising faster than usual due to additional layoffs in the manufacturing sector. While the unemployment rate has now climbed to 0.6 of a percentage point above the rate a year ago, it remains below the jobless rates of December 1983 and 1984 which were 7.5 percent and 5.9 percent, respectively.

The number of nonagricultural wage and salary jobs declined by slightly more than usual between November and December. There was much sharper than usual decline in construction jobs due to abnormally cold November and December weather. In addition, the services industry registered only weak growth while there was a greater than usual drop in government employment.

On the brighter side, employment in the manufacturing sector appears to be showing some signs of stabilizing. For the second consecutive month, employment decreased by less than the usual historical average. Another positive sign is a noticeable increase in the length of the average workweek in practically all manufacturing industries. This generally precedes hiring of additional workers.

Preliminary estimates show that 1985 average monthly total nonagricultural wage and salary employment was 21,000 greater than 1984. This compares to an increase of 76,100 in 1984 over 1983. The manufacturing sector, especially the electronics industry, lost jobs as the year went on. The construction industry had another strong year. Retail trade employment show much weaker growth in 1985 than in past years with the exception of auto sales. The fastest growing industries continued to be services and finance, insurance, and real estate. However growth in the business service industry group appears to have slowed considerably during the year as the economy cooled.

LABOR FORCE ESTIMATES

AREA	CIVILIAN LABOR FORCE			UNEMPLOYMENT			UNEMP. RATE		
	Dec. 1985	Nov. 1985	Dec. 1984	Dec. 1985	Nov. 1985	Dec. 1984	Dec. 1985	Nov. 1985	Dec. 1984
Minneapolis-St. Paul MSA*	1,304,928	1,295,502	1,302,412	71,520	64,179	63,985	5.5	5.0	4.9
REGION 11	1,211,914	1,201,724	1,208,218	65,401	57,822	57,196	5.4	4.8	4.7
Anoka	122,316	121,691	121,897	7,401	7,038	6,530	6.1	5.8	5.4
Carver	22,661	22,637	22,696	1,074	1,099	1,024	4.7	4.9	4.5
Dakota	121,728	121,006	122,179	6,488	6,028	6,486	5.3	5.0	5.3
Hennepin	569,600	563,492	566,692	30,258	25,378	25,228	5.3	4.5	4.5
Ramsey	277,470	274,909	276,406	14,931	12,968	12,835	5.4	4.7	4.6
Scott	27,519	27,668	27,703	1,754	1,962	1,837	6.4	7.1	6.6
Washington	70,620	70,321	70,645	3,495	3,349	3,256	4.9	4.8	4.6
Chisago*	16,094	16,330	16,337	998	1,268	1,182	6.2	7.8	7.2
Isanti*	14,444	14,497	14,563	951	1,035	1,017	6.6	7.1	7.0
Wright*	36,752	36,985	37,317	2,555	2,866	2,985	7.0	7.7	8.0
St. Croix, WI	25,724	25,966	25,977	1,615	1,188	1,605	6.3	4.6	6.2
Bloomington	49,686	49,058	49,117	2,732	2,211	1,978	5.5	4.5	4.0
Minneapolis	220,368	217,607	219,056	12,636	10,348	10,507	5.7	4.8	4.8
St. Paul	161,887	160,008	161,155	9,705	8,172	8,374	6.0	5.1	5.2

* Chisago, Isanti and Wright counties are a part of the Minneapolis/St. Paul-MN-WI MSA, but are included in Region 7.

Analysis of Local Conditions

MPLS-ST. PAUL NONAGRICULTURAL WAGE & SALARY EMPLOYMENT, HOURS & EARNINGS

Industry	EMPLOYMENT 1/ (thousands)			PERCENT CHANGE FROM		PRODUCTION WORKERS' HOURS & EARNINGS 2/					
						Average Weekly Earnings		Average Hourly Earnings		Average Weekly Hours	
	Dec. 1985	Nov. 1985	Dec. 1984	Nov. 1985	Dec. 1984	Dec. 1985	Nov. 1985	Dec. 1985	Nov. 1985	Dec. 1985	Nov. 1985
Total Nonagricultural	1,232.6	1,236.1	1,211.6	-0.3	1.7						
Manufacturing	256.7	257.0	261.2	-0.1	-1.7	465.23	445.38	11.13	10.97	41.8	40.6
Durable Goods	163.0	163.2	167.5	-0.1	-2.7	480.57	458.02	11.15	11.01	43.1	41.6
Lumber and Furniture	5.2	5.3	5.1	-2.6	1.3	490.88	486.41	12.75	12.70	38.5	38.3
Stone, Clay and Glass	2.7	3.0	3.2	-9.2	-16.0	459.69	418.74	10.33	9.97	44.5	42.0
Primary Metals	4.4	4.4	4.5	0.4	-1.2	363.13	342.90	9.17	9.00	39.6	38.1
Fabricated Metals	28.4	28.4	28.4	-0.1	-0.2	548.69	511.89	12.33	12.13	44.5	42.2
Nonelectrical Machinery	70.4	70.3	74.3	0.2	-5.2	502.55	480.66	11.50	11.39	43.7	42.2
Office and Computing	36.6	36.5	39.5	0.1	-7.5	549.70	544.92	11.95	11.95	46.0	45.6
Electrical Machinery	16.6	16.6	17.5	-0.3	-5.3	374.51	359.16	9.06	8.89	41.2	40.4
Transportation Equipment	4.5	4.3	4.0	4.4	10.9	725.60	633.75	14.34	13.99	50.6	45.3
Scientific Instruments	24.0	23.9	24.3	0.5	-1.3	403.20	423.52	10.08	10.23	40.0	41.4
Miscellaneous Manufacturing	4.7	4.8	4.1	-1.5	14.0	448.88	411.65	9.49	9.42	47.3	43.7
Nondurable Goods	256.7	257.0	261.2	-0.1	-1.7	465.23	445.38	11.13	10.97	41.8	40.6
Food and Kindred	18.1	18.3	18.6	-0.9	-2.3	436.13	390.00	10.19	9.75	42.8	40.0
Textiles and Apparel	1.8	1.9	2.4	-7.1	-24.2	207.21	231.05	6.26	6.33	33.1	36.5
Paper and Allied	26.0	25.8	26.3	0.8	-1.5	484.26	470.68	11.53	11.48	42.0	41.0
Printing and Publishing	30.2	30.1	28.9	0.1	4.3	432.33	419.33	11.78	11.52	36.7	36.4
Chemicals and Petroleum	8.4	8.4	8.2	-0.6	2.9	495.88	475.26	12.65	12.64	39.2	37.6
Rubber, Plastic and Leather	9.2	9.2	9.4	-0.2	-2.1	364.56	373.98	9.30	9.28	39.2	40.3
Nonmanufacturing	975.9	979.1	950.3	-0.3	2.7						
Mining	---	---	---	--	--						
Metal Mining	---	---	---	--	--						
Construction	46.7	52.8	46.9	-11.5	-0.4	621.98	623.08	16.72	16.44	37.2	37.9
Transport., Comm., & Pub. Util	68.5	68.0	69.1	0.8	-0.9						
Transportation	46.5	46.0	46.0	1.1	1.0						
Trucking and Warehousing	16.1	15.6	17.8	3.2	-9.7	424.85	382.19	12.72	12.49	33.4	30.6
Communication and Public Util	22.0	22.0	23.1	0.1	-4.6	495.74	555.83	12.91	13.59	38.4	40.9
Trade	310.4	306.7	306.9	1.2	1.1	249.39	243.39	8.15	8.14	30.6	29.9
Wholesale	79.3	79.3	78.2	0.0	1.4	429.37	415.35	10.87	10.65	39.5	39.0
Retail	231.1	227.4	228.7	1.6	1.1	197.82	193.28	7.04	7.08	28.1	27.3
Building Materials	9.7	9.8	9.9	-1.2	-1.8	340.33	331.11	9.48	9.38	35.9	35.3
General Merchandise	41.3	39.8	42.8	3.9	-3.4	193.35	179.52	6.51	6.60	29.7	27.2
Food Stores	27.0	26.5	27.1	1.7	-0.5	252.62	237.64	8.31	8.28	30.4	28.7
Automotive	22.6	22.5	20.7	0.6	9.2	382.00	399.40	10.00	10.01	38.2	39.9
Apparel	12.6	12.2	12.0	2.9	4.7	122.72	121.67	5.20	5.29	23.6	23.0
Home Furnishings	9.8	9.5	8.7	2.8	12.0	231.49	230.00	7.21	7.21	32.1	31.9
Eating and Drinking	76.8	76.7	75.1	0.2	2.2	101.55	101.28	4.79	4.80	21.2	21.1
Fin., Insur., Real Est.	84.8	83.8	80.9	0.7	4.2	327.15	319.29	8.89	8.70	36.8	36.7
Finance	35.4	35.2	34.1	0.7	3.9	329.06	323.98	9.04	8.78	36.4	36.9
Insurance	34.4	34.0	32.8	1.0	4.9	372.79	365.04	9.51	9.36	39.2	39.0
Real Estate	14.5	14.6	14.1	-0.1	3.5	224.53	212.58	6.93	6.77	32.4	31.4
Services	303.9	304.3	288.4	-0.1	5.4						
Personal Services	15.3	15.3	13.5	0.0	13.4						
Business Services	73.2	73.3	69.1	0.2	3.7						
Repair Services	14.6	14.5	14.0	0.2	3.7						
Health Services	77.9	77.5	73.9	0.6	5.5						
Hospitals	27.5	27.4	26.5	0.6	4.0						
Nursing Homes	22.1	21.9	21.1	0.8	4.6						
Legal Services	9.8	9.8	8.8	0.2	10.9						
Private Education	16.6	16.6	15.6	-0.1	6.4						
Government	162.0	163.6	158.1	-1.0	2.5						
Federal	19.3	19.1	18.1	0.8	6.4						
State	48.2	49.6	46.9	-2.7	2.8						
Education	27.4	28.6	25.5	-4.0	7.3						
Local	94.5	94.9	93.1	-0.4	1.5						
Education	52.7	53.2	51.8	-0.8	1.8						

1/ Totals may not add because of rounding.

2/ Average earnings data are on a "gross" basis and are derived from reports of payroll for full and part-time production or nonsupervisory workers. The payroll is reported before deductions of any kind. Bonuses, retroactive pay, tips, payment in kind, and "fringe benefits" are excluded.

Analysis of Local Conditions

CENTRAL AND NORTHWEST MINNESOTA

LABOR FORCE ESTIMATES

AREA	CIVILIAN LABOR FORCE			UNEMPLOYMENT			UNEMP. RATE		
	Dec 1985	Nov 1985	Dec 1984	Dec 1985	Nov 1985	Dec 1984	Dec 1985	Nov 1985	Dec 1984
St. Cloud MSA 1/	75034	82125	81452	7059	7129	7768	9.4	8.7	9.5
REGION 1	45410	46232	46111	5340	4075	5467	11.8	8.8	11.9
Kittson	3198	3312	3326	343	287	340	10.7	8.7	10.2
Marshall	5952	6107	6202	1056	740	1030	17.7	12.1	16.6
Norman	4382	4556	4400	397	298	360	9.1	6.5	8.2
Pennington	6188	6386	6339	769	619	738	12.4	9.7	11.6
Polk	16946	17107	17338	1649	1325	1611	9.7	7.7	9.3
Red Lake	2322	2210	2233	549	335	453	23.6	15.2	20.3
Rosseau	6432	6554	6273	577	471	935	7.4	7.2	14.9
REGION 2	31098	30911	31780	4239	3346	4241	13.6	10.8	13.3
Beltrami	16767	16744	17003	1773	1501	1812	10.6	9.0	10.7
Clearwater	4096	4008	4100	1013	720	981	24.7	18.0	23.9
Hubbard	5578	5522	5908	872	670	844	15.6	12.1	14.3
Lake of Woods	1978	1953	1930	215	167	218	10.9	8.6	11.3
Mahnomen	2679	2684	2839	366	288	386	13.7	10.7	13.6
REGION 4	99939	100917	100646	9148	7373	9083	9.2	7.3	9.0
Becker	11988	12071	12232	1426	1125	1577	11.9	9.3	12.9
Clay	29683	28915	28993	1907	1382	1712	6.4	4.8	5.9
Douglas	13958	14158	13708	1384	1206	1248	9.9	8.5	9.1
Grant	3250	3501	3391	318	223	298	9.8	6.4	8.8
Otter Tail	23519	24016	24482	2576	2155	2734	11.0	9.0	11.2
Pope	5280	5503	5247	557	467	483	10.5	8.5	9.2
Stevens	5698	5879	5744	428	337	446	7.5	5.7	7.8
Traverse	2541	2695	2704	221	201	244	8.7	7.5	9.0
Wilkin	4022	4179	4145	331	277	341	8.2	6.6	8.2
REGION 5	57029	59462	57266	6998	5921	7125	12.3	10.0	12.4
Cass	10317	12097	10292	1476	1170	1449	14.3	11.4	14.1
Crow Wing	17908	17802	17780	2202	1843	2258	12.3	10.4	12.7
Morrison	12641	12917	12840	1624	1412	1706	12.8	10.9	13.3
Todd	10757	11170	10941	1110	972	1139	10.3	8.7	10.4
Wadena	5406	5476	5413	586	524	573	10.8	9.6	10.6
REGION 6E	57409	58224	57469	5643	4611	5285	9.8	7.9	9.2
Kandiyohi	18507	18586	18639	1559	1139	1623	8.4	6.1	8.7
McLeod	17018	17183	16996	1562	1451	1403	9.2	8.4	8.3
Meeker	10609	10794	10531	1353	1046	1025	12.8	9.7	9.7
Renville	11275	11661	11303	1169	975	1234	10.4	8.4	10.9
REGION 7E	55111	55386	55661	5436	5004	5489	9.9	9.0	9.9
Chisago	16094	16330	16337	998	1268	1182	6.2	7.8	7.2
Isanti	14444	14497	14563	951	1035	1017	6.6	7.1	7.0
Kanabec	5747	5732	5651	897	734	881	15.6	12.8	15.6
Mille Lacs	9105	9160	9359	1080	907	1039	11.9	9.9	11.1
Pine	9721	9667	9751	1510	1060	1370	15.5	11.0	14.0
REGION 7W	111786	119110	118769	9614	9995	10753	8.6	8.4	9.1
Benton	11675	12800	12664	1163	1203	1270	10.0	9.4	10.0
Sherburne	14451	15494	15402	1645	1366	1521	11.4	8.8	9.9
Stearns	48908	53831	53386	4251	4560	4977	8.7	8.5	9.3
Wright	36752	36985	37317	2555	2866	2785	7.0	7.7	8.0

1/ Benton, Stearns, and Sherburne Counties

ST. CLOUD MSA NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT

INDUSTRY	EMPLOYMENT			PERCENT CHANGE	
	Dec 1985	Nov 1985	Dec 1984	Month Ago	Year Ago
Total Nonagricultural Wage & Salary	62359	62222	61012	0.2	2.2
Total Manufacturing	10138	9572	10159	5.9	-0.2
Durable Goods	5618	5045	5564	11.4	1.0
Nondurable Goods	4520	4527	4595	-0.2	-1.6
Total Nonmanufacturing	52221	52650	50853	-0.8	2.7
Construction	3170	3523	2659	10.0	19.2
Transp., Comm. & Pub. Util.	4000	4066	3785	-1.6	5.7
Wholesale Trade	3230	3230	3022	0.0	6.9
Retail Trade	15233	15183	15097	0.3	0.9
Finance, Insur. & Real Estate	2108	2116	2038	0.4	3.4
Service & Miscellaneous	7958	7969	7919	-0.1	0.5
Government	12200	12183	11901	0.1	2.5

The number of people working in the St. Cloud MSA during December, 1985 increased from November'85 and December'84 although the labor force figures in the table indicate otherwise. The employment "drop" shown for the St. Cloud MSA is due to an underestimated employment cell being fed into the labor force estimating methodology for Stearns county. Owing to the nature of this methodology, not only is Stearns county affected, so is to a lesser degree, the St. Cloud MSA estimate, all other counties, and the State. Given our publishing constraints, the updated December'85 labor force figures will appear next month.

A better gauge of the St. Cloud MSA labor market is evident from the nonagricultural wage & salary employment table. Here total nonagricultural wage & salary employment is shown to be up 0.2 percent since November, and up 2.2 percent over the year. The only industry gaining workers over the month was durable goods manufacturing as previous laid-off workers in a large refrigeration equipment plant returned to work. Otherwise, nearly all industries lost employment over the month (most notably construction, down 10 percent), but this was mainly seasonal.

Compared with a year ago, employment in all nonmanufacturing industries has increased, led by construction (up 19.2 percent), and wholesale trade (up 6.9 percent). When the corrected unemployment rate for December'85 becomes available, it may show that 1985 concluded with 8.8-8.9 percent unemployment compared with 9.5 percent the year before.

Analysis of Local Conditions

SOUTHERN MINNESOTA

LABOR FORCE ESTIMATES									
AREA	CIVILIAN LABOR FORCE			UNEMPLOYMENT			UNEMP. RATE		
	DEC. 1985	NOV. 1985	DEC. 1984	DEC. 1985	NOV. 1985	DEC. 1984	DEC. 1985	NOV. 1985	DEC. 1984
REGION 6W	**29,169**	**30,645**	**30,486**	**2,964**	**2,613**	**2,988**	**10.2**	**8.5**	**9.8**
Big Stone	3,612	3,797	3,882	303	246	346	8.4	6.5	8.9
Chippewa	7,139	7,475	7,468	812	799	789	11.4	10.7	10.6
Lac Qui Parle	5,346	5,622	5,586	431	393	478	8.1	7.0	8.6
Swift	5,920	6,209	6,282	732	667	772	12.4	10.7	12.3
Yellow Medicine	7,152	7,542	7,268	686	508	603	9.6	6.7	8.3
REGION 8	**71,768**	**74,460**	**73,527**	**5,714**	**5,021**	**5,329**	**8.0**	**6.7**	**7.2**
Cottonwood	6,926	7,130	7,149	574	500	584	8.3	7.0	8.2
Jackson	7,697	8,185	7,615	714	640	440	9.3	7.8	5.8
Lincoln	3,499	3,677	3,604	331	273	324	9.5	7.4	9.0
Lyon	15,435	15,689	15,925	1,246	1,106	1,190	8.1	7.0	7.5
Murray	5,538	5,870	5,799	558	425	569	10.1	7.2	9.8
Nobles	11,382	11,618	11,819	878	750	895	7.7	6.5	7.6
Pipestone	5,480	5,679	5,783	340	304	337	6.2	5.4	5.8
Redwood	10,557	11,011	10,352	798	736	729	7.6	6.7	7.0
Rock	5,254	5,601	5,481	275	287	261	5.2	5.1	4.8
REGION 9	**116,477**	**118,084**	**117,954**	**9,398**	**7,710**	**8,872**	**8.1**	**6.5**	**7.5**
Blue Earth	27,987	27,999	28,849	1,893	1,464	1,819	6.8	5.2	6.3
Brown	14,740	14,895	14,851	1,178	940	1,220	8.0	6.3	8.2
Faribault	10,574	10,838	10,699	883	709	787	8.4	6.5	7.4
Le Sueur	11,675	11,775	11,237	1,427	1,164	1,250	12.2	9.9	11.1
Martin	13,513	13,895	13,651	1,101	986	965	8.1	7.1	7.1
Nicollet	14,692	14,806	15,149	947	829	912	6.4	5.6	6.0
Sibley	7,839	8,094	8,091	821	605	767	10.5	7.5	9.5
Waseca	9,163	9,249	8,875	757	628	695	8.3	6.8	7.8
Watonwan	6,294	6,533	6,552	391	385	457	6.2	5.9	7.0
REGION 10	**221,702**	**223,918**	**219,037**	**16,886**	**14,105**	**16,010**	**7.6**	**6.3**	**7.3**
Dodge	8,473	8,631	8,216	897	650	822	10.6	7.5	10.0
Fillmore	11,955	12,490	12,185	1,116	826	1,190	9.3	6.6	9.8
Freeborn	17,442	17,809	17,544	1,472	1,318	1,388	8.4	7.4	7.9
Goodhue	20,473	20,289	20,383	1,601	1,251	1,523	7.8	6.2	7.5
Houston	9,741	10,023	10,097	774	651	756	7.9	6.5	7.5
Mower	17,811	17,961	17,770	1,352	1,150	1,253	7.6	6.4	7.1
Olmsted	62,924	63,425	60,172	3,350	2,974	3,168	5.3	4.7	5.3
Rice	24,292	24,071	23,637	2,219	1,762	1,944	9.1	7.3	8.2
Steele	16,359	16,570	16,711	1,178	1,028	1,250	7.2	6.2	7.5
Wabasha	9,458	9,728	9,458	1,109	946	964	11.7	9.7	10.2
Winona	22,774	22,921	22,864	1,818	1,549	1,752	8.0	6.8	7.7
Rochester City	**39,634**	**40,095**	**37,830**	**2,245**	**2,156**	**2,054**	**5.7**	**5.4**	**5.4**

ROCHESTER MSA NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT					
INDUSTRY	EMPLOYMENT			PERCENT CHANGE	
	DEC. 1985	NOV. 1985	DEC. 1984	Month Ago	Year Ago
Total Nonagricultural Wage & Salary	**56,140**	**56,740**	**54,980**	**- 1.1**	**2.1**
Total Manufacturing	10,940	11,150	10,860	- 1.9	0.7
Durable Goods	9,180	9,180	9,210	0.0	- 0.4
Nondurable Goods	1,760	1,970	1,650	- 10.5	7.0
Total Nonmanufacturing	45,200	45,590	44,120	- 0.8	2.4
Construction & Mining	1,520	2,040	1,620	- 25.7	- 8.3
Transp., Comm., & Pub. Util.	1,910	1,900	1,870	0.6	2.2
Wholesale Trade	1,380	1,370	1,300	0.4	5.4
Retail Trade	11,350	11,170	10,970	1.6	3.4
Fin., Insur., & Real Estate	1,600	1,590	1,500	0.6	6.9
Total Services	22,480	22,580	21,790	- 0.4	3.2
Health Services	16,320	16,370	15,930	- 0.3	2.5
Other Services	6,170	6,210	5,870	- 0.7	5.1
Government	4,970	4,940	5,040	0.6	- 1.4

Labor force developments experienced in December closely followed the historical pattern evident over the past seven years. Employment levels fell only slightly faster than the average November-to-December change, while the estimated number of persons out of work increased at a rate somewhat below that of recent years. Even though these changes were both very close to what might have been expected the overall rate of unemployment in southern Minnesota remains quite high, far above the average for the past several years. The rate of joblessness reached eight percent, its highest rate for the month of December in three years, and nearly twice the rate experienced in December 1978.

The outlook for jobseekers overall, is not very optimistic. At this time of the year surplusses of experienced applicants in the construction trades, factory production, and clerical occupations are not unusual. But some openings on file at several area Job Service Offices in late January were classified as potentially hard-to-fill due to a shortage of qualified applicants, or because working conditions were not desirable. Some of the difficult to fill positions frequently mentioned included: truck drivers, over-the-road; cooks, shift workers and part-time workers; and sales positions, working on commissions.

Analysis of Local Conditions

NORTHEAST MINNESOTA

In recent months, employment losses experienced in northeastern Minnesota have effectively wiped out any improvements since the end of the last recession. In fact, employment for the last three months of 1985 is estimated to be at its lowest level, at least since the early '70s. After reaching peak employment levels in 1978-1979, regional employment has fallen by more than 13,500 jobs.

One can always hope that the job losses are bottoming out, and that improving conditions are just around the corner. And to a certain extent, there are some reasons to support the belief that the employment situation will be easing. Regional construction activity that is now planned would appear to be leading toward significant job increases. Unfortunately, these job gains will be both slow to develop and concentrated in the metropolitan area surrounding Duluth. In the meantime, economic pressures will continue to affect the jobs now held by residents in northeastern Minnesota in the private sector. Employment levels in the public sector "only" have to withstand budget shortfalls at the state level, and Gramm-Rudman at the national level.

LABOR FORCE ESTIMATES

AREA	CIVILIAN LABOR FORCE			UNEMPLOYMENT			UNEMP. RATE		
	DEC. 1985	NOV. 1985	DEC. 1984	DEC. 1985	NOV. 1985	DEC. 1984	DEC. 1985	NOV. 1985	DEC. 1984
REGION 3	136,321	132,704	146,107	21,925	15,997	23,282	16.1%	12.1%	15.9%
Aitkin	5,234	5,200	5,456	1,018	748	1,076	19.4	14.4	19.7
Carlton	11,323	11,099	12,089	1,775	1,496	1,443	15.7	13.5	11.9
Cook	2,143	2,097	2,170	245	201	266	11.4	9.6	12.3
Itasca	16,986	16,898	18,292	2,952	2,506	2,968	17.4	14.8	16.2
Koochiching	7,271	7,345	7,855	1,021	1,008	947	14.0	13.7	12.1
Lake	4,497	4,344	4,286	747	605	756	16.6	13.9	17.6
St. Louis	88,867	85,721	95,959	14,167	9,433	15,826	15.9	11.0	16.5
Duluth Only	33,310	33,960	35,822	2,562	2,559	2,836	7.7	7.5	7.9
Balance St. Louis	55,557	51,761	60,137	11,605	6,874	12,988	20.9	13.3	21.6

DULUTH AND DULUTH-SUPERIOR MSA NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT

INDUSTRY	EMPLOYMENT DULUTH			PERCENT CHANGE		EMPLOYMENT DULUTH-SUPERIOR			PERCENT CHANGE	
	DEC. 1985	NOV. 1985	DEC. 1984	Mo. Ago	Yr. Ago	DEC. 1985	NOV. 1985	DEC. 1984	Mo. Ago	Yr. Ago
Total Nonagricultural Wage & Salary	41,190	41,600	40,140	- 1.0	2.6	83,030	85,230	82,970	- 2.6	0.1
Total Manufacturing	3,230	3,290	3,380	- 1.9	- 4.5	6,330	6,330	6,420	0.0	- 1.4
Durable Goods	1,490	1,530	1,670	- 2.6	-10.5	3,400	3,370	3,540	0.7	- 3.9
Nondurable Goods	1,740	1,760	1,720	- 1.2	1.4	2,930	2,960	2,890	- 0.7	1.7
Total Nonmanufacturing	37,960	38,300	36,760	- 0.9	3.3	76,700	78,900	76,550	- 2.8	0.2
Construction	950	1,310	1,060	-27.1	- 9.8	2,190	2,670	2,490	-17.8	-11.9
Trans., Comm., & Pub. Util.	3,350	3,320	3,030	0.8	10.6	5,970	5,990	6,540	- 0.3	- 8.6
Wholesale Trade	1,780	1,780	1,780	0.0	0.0	3,940	3,910	3,750	0.6	4.9
Retail Trade	9,140	9,070	9,380	0.7	- 2.5	17,840	17,690	18,170	0.9	- 1.8
Finan., Insur., & Real Est.	1,770	1,780	1,710	- 0.7	3.3	3,050	3,070	2,950	- 0.4	3.6
Services, Mining, & Miscel.	11,420	11,490	11,030	- 0.5	3.5	23,120	25,030	23,460	- 7.6	- 1.4
Government	9,550	9,550	8,770	0.0	8.8	20,590	20,540	19,200	0.2	7.2